

AH DIAGNOSTICS A/S

Gammel Viborgvej 11A, 8381 Tilst
CVR-nr. 26 71 80 23

Annual Report 2024

1 January - 31 December

The Annual Report has been presented and adopted at the
Company's Annual General Meeting on 28 April 2025

Helle Vibeke Zachø

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Company Details

Company	AH DIAGNOSTICS A/S Gammel Viborgvej 11A 8381 Tilst
	CVR No.: 26 71 80 23
	Established: 27 June 2002
	Municipality: Aarhus
	Financial Year: 1 January - 31 December
Board of Directors	Niels Stampe Rüdiger, chairman Helle Vibeke Zachø Dominique Wencker Patrick Hartmann
Executive Board	Helle Vibeke Zachø
Auditor	BDO Statsautoriseret revisionsaktieselskab Vestre Ringgade 28 8000 Aarhus C

Management's Statement

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of AH DIAGNOSTICS A/S for the financial year 1 January - 31 December 2024.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of Group's and the Company's assets, liabilities and financial position at 31 December 2024 and of the results of Group's and the Company's operations for the financial year 1 January - 31 December 2024.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Tilst, 28 April 2025

Executive Board

Helle Vibeke Zachø

Board of Directors

Niels Stampe Rüdiger
Chairman

Helle Vibeke Zachø

Dominique Wencker

Patrick Hartmann

Independent Auditor's Report

To the Shareholder of AH DIAGNOSTICS A/S

Opinion

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of AH DIAGNOSTICS A/S for the financial year 1 January - 31 December 2024, which comprise income statement, Balance Sheet, statement of changes in equity, notes and a summary of significant accounting policies. The Consolidated Financial Statements and the Parent Company Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the assets, liabilities and financial position of the Group or the Company at 31 December 2024 and of the results of the Group and the Parent Company's operations for the financial year 1 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's Responsibilities for the Consolidated Financial Statements and the Parent Company Financial Statements

Management is responsible for the preparation of Consolidated Financial Statements and the Parent Company Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such Internal control as Management determines is necessary to enable the preparation of Consolidated Financial Statements and the Parent Company Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements and the Parent Company Financial Statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Consolidated Financial Statements and the Parent Company Financial Statements unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements and the Parent Company Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements and the Parent Company Financial Statements.

Independent Auditor's Report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements and the Parent Company Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Consolidated Financial Statements and the Parent Company Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements and the Parent Company Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Consolidated Financial Statements and the Parent Company Financial Statements, including the disclosures, and whether the Consolidated Financial Statements and the Parent Company Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the Group Financial Statements and the Parent Company Financial Statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on Management Commentary

Management is responsible for Management Commentary.

Our opinion on the Consolidated Financial Statements and the Parent Company Financial Statements does not cover Management Commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements and the Parent Company Financial Statements, our responsibility is to read Management Commentary and, in doing so, consider whether Management Commentary is materially inconsistent with the Consolidated Financial Statements and the Parent Company Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Independent Auditor's Report

Moreover, it is our responsibility to consider whether Management Commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management Commentary is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of Management Commentary.

Aarhus, 28 April 2025

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Thomas Nørgaard Christensen
State Authorised Public Accountant
MNE no. mne40048

Financial Highlights of the Group

	2024 DKK '000	2023 DKK '000	2022 DKK '000	2021 DKK '000	2020 DKK '000
Income statement					
Gross profit/loss	33.376	36.943	42.796	51.948	48.011
Operating profit/loss of main activities	3.719	1.954	8.730	18.548	18.075
Financial income and expenses, net	-185	628	-525	-398	313
Profit/loss for the year	2.380	1.578	6.087	14.542	14.492
Balance sheet					
Total assets	36.621	38.375	51.182	56.215	65.973
Equity	16.254	15.655	17.737	16.523	26.396
Investment in property, plant and equipment	-13	-287	0	0	-207
Average number of full-time employees	41	49	45	45	44
Key ratios					
Equity ratio	44.4	40.8	34.7	29.4	40.0
Return on equity	14.9	9.5	35.5	67.8	71.3

The ratios stated in the list of key figures and ratios have been calculated as follows:

Equity ratio:	$\frac{\text{Equity, at year-end} \times 100}{\text{Total assets, at year-end}}$
Return on equity:	$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$

Management Commentary

Principal activities

The Group import and sell reagents, instruments, Life Science technology services and laboratory consumables to universities, institutions of higher education, the pharmaceutical industry, hospitals and to academic researchers in the Nordic countries.

Development in activities and financial and economic position

The Group income statement for 2024 shows a profit of DKK 2,382 against a profit of DKK 1,576k last year, and the balance sheet on 31. December 2024 shows an equity of DKK 16,254k.

Profit/loss for the year compared to the expected development

The profit for 2024, which is considered satisfactory, is higher than last year, and at the expected level.

Significant events after the end of the financial year

No events have occurred after the balance sheet date that materially affect the Group's financial position.

Financial risk

The risks for the group are the usual commercial risks such as exchange rate fluctuations, prices on raw materials and insurable risks. The entity has taken out standard insurance in accordance with the insurance policy adopted by the Board of Directors. Changes in exchange rates and raw material prices are monitored closely as part of the commercial operation of the business. The Group's commercial risks are assessed on a regular basis and any hedging of the risks is made in accordance with a hedging strategy approved by the Board of Directors. The group has no special risks.

Research and development activities

At present, the entity does not have its own research and development activities as the Group's suppliers primarily handle those activities. The entity's executive management keeps abreast of the market development and introduces new technologies from both existing and new suppliers on an ongoing basis.

Environmental situation

AH diagnostics has an ambition to influence the environment as little as possible.

Where it is possible, fossil fueled company cars will be replaced by electric cars or hybrids.

In 2024, 3 Electric or Hybrid cars replaced fossil fueled cars.

The group companies are member of different organizations, who collects waste, batteries, and electrical equipment. In 2024 the Group continued the collaboration with Ecovadis to report improvements related to ESG.

The project regarding the replacement of polystyrene boxes has in 2024 been ongoing, and the shipment of cooling products in Card board boxes are now implemented at all markets. The goal is to replace all new polystyrene boxes with cardboard boxes.

Reuse of packing materials and consolidation of purchase and sales orders has been ongoing in 2024.

The group holds an ISO certification within environment management systems (ISO 14001). The group is also ISO 9001 and ISO 45001 certified.

Income Statement 1 January - 31 December

	Note	Group		Parent Company	
		2024 DKK '000	2023 DKK '000	2024 DKK '000	2023 DKK '000
Gross profit		33.376	36.943	19.522	22.771
Staff costs	1	-28.574	-33.814	-15.814	-17.917
Depreciation, amortisation and impairment losses		-1.083	-1.175	-160	-229
Operating profit		3.719	1.954	3.548	4.625
Income from investments in subsidiaries		0	0	-213	-2.286
Other financial income		261	1.020	87	1.009
Other financial expenses		-446	-392	-305	-939
Profit before tax		3.534	2.582	3.117	2.409
Tax on profit/loss for the year	2	-1.154	-1.004	-737	-831
Profit for the year		2.380	1.578	2.380	1.578
Proposed distribution of profit					
Proposed dividend for the year		2.000	1.500	2.000	1.500
Allocation to reserve for net revaluation under the equity method		0	0	-213	-2.286
Retained earnings		380	78	593	2.364
Total		2.380	1.578	2.380	1.578

Balance Sheet at 31 December

		Group		Parent Company	
Assets	Note	2024 DKK '000	2023 DKK '000	2024 DKK '000	2023 DKK '000
Intangible fixed assets acquired		233	162	233	162
Goodwill		2.438	3.354	0	0
Intangible assets	3	2.671	3.516	233	162
Other plant, machinery tools and equipment		284	390	284	383
Property, plant and equipment	4	284	390	284	383
Investments in subsidiaries		0	0	10.638	10.028
Rent deposit and other receivables		585	585	530	529
Financial non-current assets	5	585	585	11.168	10.557
Non-current assets		3.540	4.491	11.685	11.102
Finished goods and goods for resale		6.333	6.646	6.333	6.646
Inventories		6.333	6.646	6.333	6.646
Trade receivables		12.157	15.747	5.790	8.498
Receivables from group enterprises		0	0	2.869	4.666
Deferred tax assets		16	25	0	5
Other receivables		345	285	207	53
Corporation tax receivable		807	585	0	0
Prepayments		833	914	619	653
Receivables		14.158	17.556	9.485	13.875
Cash and cash equivalents		12.590	9.682	5.765	1.052
Current assets		33.081	33.884	21.583	21.573
Assets		36.621	38.375	33.268	32.675

Balance Sheet at 31 December

Equity and liabilities	Note	Group		Parent Company	
		2024 DKK '000	2023 DKK '000	2024 DKK '000	2023 DKK '000
Share Capital	6	1.000	1.000	1.000	1.000
Reserve for net revaluation under the equity method		0	0	2.182	2.676
Retained earnings		13.254	13.155	11.072	10.479
Proposed dividend		2.000	1.500	2.000	1.500
Equity		16.254	15.655	16.254	15.655
Provision for deferred tax		32	0	32	0
Other provisions	7	179	126	125	126
Provisions		211	126	157	126
Prepayments from customers		183	520	298	485
Trade payables		10.583	10.146	10.196	9.875
Debt to Group companies		215	0	3.602	1.669
Corporation tax payable		509	377	100	444
Other liabilities		6.297	8.857	1.671	3.073
Deferred income		2.369	2.694	990	1.348
Current liabilities		20.156	22.594	16.857	16.894
Liabilities		20.156	22.594	16.857	16.894
Equity and liabilities		36.621	38.375	33.268	32.675
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Equity

DKK '000	Group			
	Share Capital	Retained earnings	Proposed dividend	Total
Equity at 1 January 2024	1.000	13.155	1.500	15.655
Proposed profit allocation		380	2.000	2.380
Transactions with owners				
Dividend paid			-1.500	-1.500
Other legal bindings				
Foreign exchange adjustments		-281		-281
Equity at 31 December 2024	1.000	13.254	2.000	16.254

DKK '000	Parent Company				
	Share Capital	Reserve for net revaluation under the equity method	Retained earnings	Proposed dividend	Total
Equity at 1 January 2024	1.000	2.676	10.479	1.500	15.655
Proposed profit allocation		-213	593	2.000	2.380
Transactions with owners					
Dividend paid				-1.500	-1.500
Other legal bindings					
Foreign exchange adjustments		-281			-281
Equity at 31 December 2024	1.000	2.182	11.072	2.000	16.254

Notes

	Group		Parent Company	
	2024	2023	2024	2023
	DKK '000	DKK '000	DKK '000	DKK '000
1 Staff costs				
Average number of full time employees	41	49	29	31
Wages and salaries	23.927	28.483	13.282	15.265
Pensions	2.681	3.033	1.724	2.002
Social security costs	1.393	1.879	352	332
Other staff costs	573	419	456	318
	28.574	33.814	15.814	17.917

2 Tax on profit/loss for the year				
Calculated tax on taxable income of the year	1.115	933	700	760
Adjustment of tax in previous years	0	-23	0	-23
Adjustment of deferred tax	39	94	37	94
	1.154	1.004	737	831

3 | Intangible assets

DKK '000	Group	
	Intangible fixed assets acquired	Goodwill
Cost at 1 January 2024	162	4.575
Additions	119	0
Cost at 31 December 2024	281	4.575
Amortisation at 1 January 2024	0	1.221
Amortisation for the year	48	916
Amortisation at 31 December 2024	48	2.137
Carrying amount at 31 December 2024	233	2.438

DKK '000	Parent Company
	Intangible fixed assets acquired
Cost at 1 January 2024	162
Additions	119
Cost at 31 December 2024	281
Amortisation for the year	48
Amortisation at 31 December 2024	48
Carrying amount at 31 December 2024	233

Notes

4 | Property, plant and equipment

	Group
	Other plant, machinery tools and equipment
DKK '000	
Cost at 1 January 2024	9.209
Additions	13
Disposals	-1.391
Cost at 31 December 2024	7.831
Depreciation and impairment losses at 1 January 2024	8.826
Reversal of depreciation of assets disposed of	-1.391
Depreciation for the year	112
Depreciation and impairment losses at 31 December 2024	7.547
Carrying amount at 31 December 2024	284

	Parent Company
	Other plant, machinery tools and equipment
DKK '000	
Cost at 1 January 2024	9.146
Additions	13
Disposals	-1.347
Cost at 31 December 2024	7.812
Depreciation and impairment losses at 1 January 2024	8.763
Reversal of depreciation of assets disposed of	-1.347
Depreciation for the year	112
Depreciation and impairment losses at 31 December 2024	7.528
Carrying amount at 31 December 2024	284

5 | Financial non-current assets

	Group
	Rent deposit and other receivables
DKK '000	
Cost at 1 January 2024	584
Additions	1
Cost at 31 December 2024	585
Carrying amount at 31 December 2024	585

Notes

5 | Fixed asset investments (continued)

DKK '000	Parent Company	
	Investments in subsidiaries	Rent deposit and other receivables
Cost at 1 January 2024	7.352	529
Additions	1.119	1
Disposals	-125	0
Cost at 31 December 2024	8.346	530
Revaluation at 1 January 2024	3.898	0
Exchange adjustment	-278	0
Profit/loss for the year	703	0
Reversal of revaluation on sold assets	106	
Revaluation at 31 December 2024	4.429	0
Impairment losses and amortisation of goodwill at 1 January 2024	1.221	0
Amortisation of goodwill	916	0
Impairment losses and amortisation of goodwill at 31 December 2024	2.137	0
Carrying amount at 31 December 2024	10.638	530

6 | Share Capital

Allocation of share capital:

Shares, 1.000 unit in the denomination of 1.000 DKK	1.000	1.000
	1.000	1.000

7 | Other provisions

Other provisions consist of provision for guarantee obligations which are expected to be settled within one year.

8 | Contingencies etc.

Contingent liabilities

The Parent Company

The Parent Company has entered into rent and leasing agreement with a non-terminable amount per 31 December 2024 of DKK 1,984k, hereoff DKK 1,322k considered payable within 12 months. The Parent Company's rent and leasing liabilities relates to non-terminable rent agreement for the Company's Headquarters until April 2025 as well as operational leasing agreements related to cars that runs for 1-42 months.

The Group

The Group has entered into rent and leasing agreement with a non-terminable amount per 31 December 2024 of DKK 3,537k, hereoff DKK 2,074k considered payable within 12 months. The Group's rent and leasing liabilities relates to non-terminable rent agreement for leases for rented offices with remaining, non-terminable rent agreements ranging from 3 month to 6 month, as well as operational leasing agreements related to cars that runs a maximum of 42 months.

Notes

9 | Charges and securities

The parent company

The parent company has provided a suretyship for AH Diagnostics AB's bank balance with a maximum of DKK 391k. The bank balance in the subsidiary amounts to DKK 0k per 31 December 2024.

10 | Related parties

The Company's related parties include:

Controlling interest

Dominique Dutscher SAS, 2c, rue de Bruxelles, 67170 Bernolsheim, Frankrig, which owns the Company 100%.

Transactions with related parties

The Company did not carry out any material transactions that were not concluded on market conditions. According to section 98c, subsection 7 of the Danish Financial Statements Act information is given only on transactions that were not performed on common market conditions.

11 | Consolidated Financial Statements

The company is included in the Consolidated Financial Statements for Dutscher Holding, parent company, 2C, rue de Bruxelles, 67170 BERNOLSHEIM, France.

Accounting Policies

The Annual Report of AH DIAGNOSTICS A/S for 2024 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared consistently with the accounting principles applied last year.

Consolidated Financial Statements

The Consolidated Financial Statements include the Parent Company AH DIAGNOSTICS A/S and the subsidiaries in which AH DIAGNOSTICS A/S directly or indirectly holds more than 50% of the voting rights or in any other way has a controlling influence. Enterprises in which the Group holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence, are considered associates, see the Group structure.

The Consolidated Financial Statements consolidate the Financial Statements of the Parent Company and the subsidiaries by combining uniform accounts items. Intercompany income and expenses, shareholdings, intercompany accounts and dividend, and realised and unrealised gains and losses arising from transactions between the consolidated enterprises are fully eliminated in the consolidation.

Newly acquired or established enterprises are recognised in the Consolidated Financial Statements from the date of acquisition. Sold or wound up enterprises are recognised in the Consolidated Income Statement up to the date of disposal. Comparative figures are not adjusted for newly acquired, sold or wound up enterprises.

The date of acquisition is the date at which the Group gains actual control over the acquired enterprises.

Acquired enterprises are recognised in the Consolidated Financial Statements under the acquisition method, reassessing all identified assets and liabilities to fair value at the acquisition date. The fair value is calculated based on acquisitions made in an active market, alternatively calculated using generally accepted valuation methods. Deferred tax on the taken over reassessments is recognised with the exception of goodwill.

At calculation of the fair value of investment properties, a discounted cash flow model is applied based on discounted cash flow of future earnings. Operating equipment is recognised at fair value based on an assessor's opinion, using an overall assessment of the production equipment.

Positive differences (goodwill) between the acquisition value and fair value of acquired and identified assets and liabilities are recognised in intangible fixed assets as goodwill and amortised systematically in the Income Statement under an individual assessment of the useful life.

Negative differences are recognised in the Income Statement at the date of acquisition. The difference from acquired enterprises is DKK ('000) 0.

Transaction costs, incurred in connection with acquisition of enterprises, are recognised in the Income Statement in the year in which the costs are incurred.

Income Statement

Net revenue

Net revenue from the sale of merchandise and finished goods is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

Accounting Policies

Cost of sales

Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

Other operating income

Other operating income includes items of a secondary nature in relation to the Group's and the Company's activities. In addition, profit from sale of intangible and tangible fixed assets as well as business interruption and conflict compensations are included. Compensations are recognised when the income is deemed to be realisable.

Other external expenses

Other external expenses include other production, sales, delivery and administrative costs, including costs of energy, marketing, premises, loss on bad debts, lease expenses, etc

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions, and other costs of social security etc., for the Group and the Parent Company's employees. Repayments from public authorities are deducted from staff costs.

Income from investments in subsidiaries

The proportional share of the results of subsidiaries, stated according to the Parent Company's accounting policies and with full elimination of unrealised intercompany profits/losses and deduction of amortisation of added value and goodwill resulting from purchase price allocation at the date of acquisition, is recognised in the Parent Company's Income Statement.

In connection with transfers, potential profits are recognised when the economic rights related to the sold subsidiaries are transferred, however, at the earliest when the profit has been realised or is regarded as realisable. Moreover, realised losses other than impairments are included where identified.

Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from securities, debt and transactions in foreign currencies, as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised by the amounts that relate to the financial year. Interest income and expenses are calculated on amortised cost prices.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the Income Statement by the share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

Balance Sheet

Intangible fixed assets

Acquired goodwill is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over the expected useful life which is estimated to 5 years. The period of amortisation is determined based on an assessment of the acquired Company's position in the market and earnings profile, and the industry-specific conditions.

Tangible fixed assets

Fixtures and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

Accounting Policies

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

Useful life	Residual value
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Other plant, fixtures and equipment	3-10 years	0%
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Profit or loss on sale of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the date of sale. Profit or loss is recognised in the Income Statement as other operating income or other operating expenses.

Financial non-current assets

Investments in Equity interests in subsidiaries are measured in the Parent Company Balance Sheet under the equity method, which is regarded as a method of measuring/consolidation.

Equity investments in subsidiaries are measured in the Balance Sheet at the proportional share of the enterprises' carrying equity value, calculated in accordance with the Parent Company's accounting policies with deduction or addition of unrealised intercompany profits or losses and with addition or deduction of the residual value of positive or negative goodwill calculated according to the acquisition method. Negative goodwill is recognised in the Income Statement when the equity interest is acquired. Where the negative goodwill is related to acquired contingent liabilities, the negative goodwill will be recognised as income when the contingent liabilities have been settled or cease.

Acquired enterprises are subject to the acquisition method, reassessing all identified assets and liabilities to fair value at the acquisition date. The fair value is calculated based on acquisitions made in an active market, alternatively calculated using generally accepted valuation models. A discounted cash flow model is used to calculate the fair value of investment properties based on a discounted cash flow of future earnings. Operating equipment is recognised at fair value based on an assessor's opinion, based on an overall assessment of the production equipment. The acquisition date is the date on which the Company gains actual control over the acquired entity.

The fair value is calculated based on acquisitions made in an active market, alternatively calculated using generally accepted valuation models. A discounted cash flow model is used to calculate the fair value of investment properties based on a discounted cash flow of future earnings. Operating equipment is recognised at fair value based on an assessor's opinion, based on an overall assessment of the production equipment. The acquisition date is the date on which the Company gains actual control over the acquired entity.

Consolidated goodwill is amortised over the expected useful life, which is determined on the basis of Management's experience within the individual lines of business. Consolidated goodwill is amortised on a straightline basis over the amortisation period, which is 5 years. The amortisation period is determined on the basis of an assessment of the acquired entity's market position and earnings profile, and the industryspecific condition.

Net revaluation of equity interests in subsidiaries is transferred under equity to reserve for net revaluation under the equity value method to the extent that the carrying amount exceeds the acquisition value.

Subsidiaries with a negative carrying equity value are measured to DKK 0 and any amounts due from these enterprises are written down to the extent that it is deemed to be irrecoverable. If the carrying negative equity value exceeds receivables, the residual amount is recognised under provision for liabilities to the extent that the Company has a legal or actual liability to cover the subsidiaries deficit.

Accounting Policies

Impairment of fixed assets

The carrying amount of intangible fixed and tangible assets together with fixed assets, which are not measured at fair value,, are assessed annually for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

Inventories

Inventories are measured at cost using the FIFO-principle. If the net realisable amount is lower than cost, the inventories are written down to the lower amount.

The cost of merchandise as well as raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

The net realisable value of inventories is stated at the expected sales price less direct completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price of the inventories.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Write-off is performed to provide for losses when an objective indication has been assessed to have incurred that a receivable or a portfolio of receivables are impaired. If there is an objective indication that an individual receivable is impaired, the write-off is performed at individual level.

Receivables for which there are no objective indication of impairment at individual level are assessed at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' registered office and credit rating in accordance with the Company's policy for credit risk management. The objective indicators, which are applied for portfolios, are determined based on the historical loss experiences.

Write-off is determined as the difference between the carrying amount of receivables and the present value of the expected cash flows, including realisable value of any received collaterals. The effective interest rate is used as discount rate for the single receivable or portfolio.

Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Cash and cash equivalents

Cash and cash equivalents include cash at bank.

Accounting Policies

Other provisions for liabilities

Other provisions for liabilities include the expected cost of warranty commitments, loss on work in progress, restructurings etc. and deferred tax.

Warranty commitments include liabilities for improvement of work within the warranty period of 1 to 5 years. The provision for liabilities is measured and recognised on the basis of experience with warranty work.

When it is likely that the total costs will exceed the total income on the contract work in progress, a provision is made for the total loss that is anticipated on the contract.

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less transaction costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the loan period.

The amortised cost of current liabilities corresponds usually to the nominal value.

The capitalised remaining lease liability on finance lease contracts is also recognised as financial liabilities.

Accruals, liabilities

Accruals recognised as liabilities include payments received regarding income in subsequent years.

Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the Income Statement as a financial income or expense.

Receivables, payables and other monetary items in foreign currencies that are not settled on the Balance Sheet date are translated at the exchange rate on the Balance Sheet date. The difference between the exchange rate on the Balance Sheet date and the exchange rate at the date when the receivables or payables come into existence recognised in the Income Statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.